GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:328
ANSWERED ON:18.07.2017
Tax on Fertilizers
Singh Shri Lallu

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is any proposal to charge 28% tax on the fertilizers under the new GST regime in the country;

(b) if so, the facts in this regard;

(c) whether the fertilizer manufacturers have given any indication regarding rise in the prices of fertilizers due to increase in the taxes; and

(d) if so, the details thereof and the percentage rise in the prices of fertilizers under the new taxation system?

Answer

(a) & (b): No, Madam. The GST Council on 30thJune, 2017 decided to reduce the GST rate of fertilizers from 12% to 5%.

(c) & (d): After the implementation of GST w.e.f. 01st July, 2017, the all India weighted average MRP of urea will decrease by 71 paise per urea bag. In respect of P&K fertilizers also, the prices post GST is expected to reduce in majority of the states.